

Introduction

This Annual Audit Compliance Report (AACR) is submitted to meet Condition 5 of Ministerial Statement 728 for Wagerup Refinery. It covers the period from 1 January 2008 to 31 December 2008.

In May 2005 Alcoa submitted its Environmental Review and Management Programme to the EPA, seeking approval to increase production from 3.3 Mtpa to 4.7 Mtpa. In response to this application, in September 2006 Ministerial Statement 728 was released detailing the conditions of approval for expansion of Wagerup Refinery. The conditions of Statement 728 supersede statements 564, 390 and 95 and therefore stand as the conditions against which the Refinery will be audited by the DEC in future years.

Current Status

Ministerial Statement 728 relates to the ongoing operation of the Wagerup Refinery and a project to expand refinery production to 4.7 Mtpa. The expansion project (Wagerup 3) has been suspended. Accordingly, many of the Conditions within Statement 728 were not applicable during the period covered by this AACR. The following Conditions were applicable during the reporting period: 2; 5; 13; 14; 15; 16; and 17. The status of these conditions is provided in the Ministerial Statement Audit Table featured later in this report.

Compliance

During the reporting period, I confirm that Alcoa has complied with all of the above mentioned Conditions.

Environmental Monitoring and Research

Please refer to the Wagerup Refinery 2008 Annual Environmental Report for further information.

Stakeholder Consultation

Please refer to the Wagerup Refinery 2008 Annual Environmental Report for further information.

Tables

Ministerial Statement Audit Table

Condition	Title	Description	Evidence
M2	Proponent Environmental Management Commitments	Implement the environmental management commitments contained in schedule 2 of Statement 728.	Refer to comments for S2(1) to S(13)
S2 (1)	Separation Distance	Implement the Wagerup Land Management Strategy.	The Land Management Strategy continued throughout the reporting period, with Alcoa purchasing properties belonging to those residents who chose to relocate and were eligible under the scheme
S2 (2)	Mining Planning and Forest Management	Prepare and submit Mining and Management programmes	The Huntly Mining and Management Program was submitted to the MMPLG on 5 August 2008, while the Willowdale Mining and Management Program was submitted to the MMPLG on 1 October 2008. The plans were submitted separately due to significant changes to the Huntly plan that required a streamlined approval process. Ministerial approval was obtained for the Huntly MMP on 31 December 2008 and the Willowdale MMP on 13 January 2009.
S2 (3)	Mining Planning and Forest Management	Plan and manage mining operations to minimise disturbance to biologically diverse areas fringing major rock outcrops and stream zones	No clearing was undertaken in agreed buffer zones surrounding rock outcrops and streams. One haul road streamzone crossing planned to be rehabilitated in the 2008 season (Wuka) has been delayed.
S2 (4)	Mining Planning and Forest Management	Conduct biological surveys and support conservation of rare, endangered & priority species near mining operations	Pre-mining fauna monitoring surveys have been completed for the Larego and Myara future crusher regions. Rare and Endangered fauna management plans have been developed for the five species known to occur in the mineral lease (chuditch, quokka, noisy scrub bird, Baudins cockatoo & Carpet python). Pre-mining flora surveys were completed for Larego in 2008 and the Myara surveys have commenced and are 50% complete. These surveys will be completed in 2009.

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Condition	Title	Description	Evidence
			No Rare or Threatened Australian Plants (RoTAPs) have been recorded in mining regions and identified priority species are associated with vegetation communities not disturbed by mining.
S2 (5)	Water Resources	Conduct research before mining in the intermediate rainfall zone.	The Huntly Mining and Management Program submitted in August 2008 contained new proposed mining areas in the Intermediate Rainfall Zone (IRZ). The procedure outlined in this ministerial condition was utilized with detailed examination of the proposal being undertaken by the Bauxite Hydrology Committee. Approval was obtained for the Huntly MMP on 31 December 2008.
S2 (6)	Mine Rehabilitation	Monitor success of all rehabilitated Mining areas.	Completion criteria reports for 2006, 2007 and 2008 rehabilitation were submitted to the DEC in October 2008 as has been previously agreed.
S2 (7)	Forest Conservation	Utilise environmental management procedures in jarrah forest conservation areas, agreed in consultation with the MMPLG.	No clearing for mining in conservation areas has been proposed in existing Mining and Management Programs.
S2 (8)	Forest Conservation	Mining in the recreation zone of the Lane Poole Reserve will be undertaken in accordance with site specific environmental management procedures.	A submission was made in August 2007 to the CAR Informal Reserves Evaluation Committee (CARIREC, a sub-committee of the MMPLG) to clear areas for mining operations in the Lane Poole Reserve Recreation area. Advice from the Minister of Environment that the values of the Informal CAR Reserve system would not be compromised by disturbing these areas was obtained in March 2008.
S2 (9)	Dieback Management	Implement dieback management programme mine operations in the jarrah forest.	The dieback management program has been implemented at Huntly and Willowdale as per procedures agreed with the DEC as part of the Alcoa/DEC Working Arrangements.

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Condition	Title	Description	Evidence
S2 (10)	Environmental Research	Implement ongoing research programme into all aspects of the operation that have the potential to adversely impact the environment.	Research programs are ongoing for residue re-use, residue management and mining rehabilitation. Details of these research programs are provided in Annual Environmental Reports.
S2 (11)	Environmental Research	Submit a review of research and management programme to the Department of Industry and Resources on an annual basis and a more detailed review every 3 year.	An annual environmental review is submitted to DoIR on 31 March each year that reviews the mining research and management programme.
S2 (12)	Noise Monitoring	Conduct noise monitoring.	Noise monitoring is conducted at several locations in accordance with correspondence submitted to DEC. Monitoring is conducted by appropriately trained personnel and acoustic consultants.
S2 (13)	Noise Monitoring	Report noise monitoring results in the Review of Environmental Research and Operations submitted annually to DoIR.	Noise monitoring results are reported to DoIR in the Annual Environmental Review submitted on or about 31 March each year. An abbreviated 20 point noise survey was completed on 19 March 2008.
M5.1.1	Compliance Reporting	Submit annually an audit compliance report, for the previous twelve-month period.	First Annual Audit Compliance Report was submitted in March 2008 for the period September 2006 to December 2007.
M5.2	Compliance Reporting - Public availability	Make the audit compliance report publicly available in a manner approved by DEC	The 2008 Audit Table stated that the AACR would be published on the Alcoa website once it has been approved by the DEC. As the DEC has yet to approve the document and its format, the AACR is yet to be published.
M13.1	Long Term Residue Management Plan Revision	Revise the Long Term Residue Management Strategy (LTRMS).	The LTRMS was reviewed throughout 2007, in consultation with RPLG and community stakeholders. It was finalised in January 2008 and distributed to RPLG members

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Condition	Title	Description	Evidence
M14.1	Transport Related Noise	Participate in a detailed review of logistical aspects of the rail transport activities associated with operations.	Participation in Interagency Working Group commenced in October 2007, with the provision of information requested by DoIR. Proposal has not been further implemented as project has been suspended.
M15.1	Community Consultation - Mining Plans	Report the results of consultation with the affected local government authorities in the preparation of mining plans.	The annual Mining and Management Program submission to the MMPLG contains a section summarizing consultation with affected local government authorities.
M15.2	Community Consultation - Mining	Consult with residents of private properties whose amenity (dust, noise, vibration, visual) or hydrology are likely to be affected by the mining operations, and report the results to the MMPLG.	The annual Mining and Management Program submission to the MMPLG contains a section summarizing consultation with potentially impacted neighbours.
M16.1	LTRMS - Closure Strategy Review	Revise the closure strategy for the residue storage areas at WGP in consultation with the RPLG and submit to Minister for approval	The residue closure strategy is reviewed as part of the LTRMS, which was finalised in January 2008.
M17.1	Social Impacts - Local Government Liaison	Maintain formal liaison and monitoring processes at appropriate times with the Shire of Waroona and the Shire of Harvey.	During this reporting period formal liaison and monitoring processes have included: <ul style="list-style-type: none"> ▪ Attendance at Council meetings when required ▪ Briefings and one-on-one discussions with Shire Officers including the Chief Executive Officers, Shire Planners and Shire Environmental Health Officers ▪ Shire representation at the Wagerup Tripartite Group meetings convened by the DEC
M17.2	Social Impacts - Local government Liaison Reporting Requirements	Provide details on formal liaison and monitoring processes with the Shire of Waroona and the Shire of Harvey.	During this reporting period formal liaison and monitoring processes have included: <ul style="list-style-type: none"> ▪ Attendance at Council meetings when required ▪ Briefings and one-on-one discussions with Shire Officers including the Chief Executive Officers,

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Condition	Title	Description	Evidence
			Shire Planners and Shire Environmental Health Officers <ul style="list-style-type: none"><li data-bbox="1402 386 2053 456">▪ Shire representation at the Wagerup Tripartite Group meetings convened by the DEC